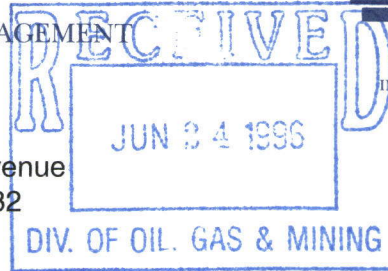


United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Moab District
82 East Dogwood Avenue
Moab, Utah 84532



TAKE
PRIDE IN
AMERICA

IN REPLY REFER TO:

3800
(UT-062)

Wayne Hedberg, Mineral Permit Supervisor
State of Utah Department of Natural Resources
Division of Oil, Gas and Mining (UDOGM)
1594 West North Temple, Suite 1210
P.O. Box 145801
Salt Lake City, Utah 84114-5801

JUN 21 1996

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Re: Full release for Kelmine Corporation of its reclamation bond covering the Cub Mine,
San Juan County, Utah.

Dear Mr. Hedberg:

On June 12, 1996, Sal Venticinque, accompanied by Tony Gallegos of your staff, made a close-out field check of revegetation success at the above-referenced mine.

The Cub Mine is located in T30S, R25E (SLM), Section 26: SE1/4 SE1/4; Section 35: E1/2 NE1/4. The mine was first inspected by BLM and UDOGM as early as 1993. Surface reclamation was found satisfactory, with the exception of the vent shaft area and its access road. As a result of the close-out field inspection, Mr. Venticinque reported that all surface reclamation and revegetation at the mine has been completed satisfactorily.

Based on the efforts of Kelmine Corporation at the Cub Mine, we would recommend full release by UDOGM of the reclamation bond for the mine. Please contact Mr. Venticinque at (801) 259-2141 should you have questions.

Sincerely,

Assistant District Manager
Resource Management

cc: Mr. Melvin R. Swanson
Kelmine Corporation
2051 Swanson Circle
Moab, Utah 84532